MR. CARVELL'S REMARKS

ON

MR. BRYDGES' REPORT

ON

HIS INSPECTION OF THE PORTIONS

OF THE

INTERCOLONIAL RAILWAY

NOW IN OPERATION.

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MR. CARVELL'S REMARKS

On Mr. Brydges' Report, on his Inspection of the portions of the Intercolonial Railway, now in operation.

INTERCOLONIAL RAILWAY.

GENERAL SUPERINTENDENT'S OFFICE,

Moncton, 3rd October, 1874.

THE HON'BLE ALEXANDER MACKENZIE,

Minister of Public Works,

Ottawa.

SIR,

I have carefully perused the Reports of Mr. C. J. Brydges, dated respectively the 20th June and 18th of August last, embodying the results of his inspection of those portions of the Intercolonial Railway, now in operation, and to which Reports I have been requested to reply.

As many of the recommendations contained in those Reports, have already been acted upon, I suppose I am only expected to deal with those portions which seem to reflect upon the management of the Intercolonial Railway, and upon myself personally.

In the first place, I will state some important facts attending the consolidation of the Government Railways in Nova Scotia and New Brunswick, and afterwards refer to other matters, to which I may be expected to address myself; and I venture to think, that if they do not fully account for the irregularities which are referred to in Mr. Brydges' reports, they will at all events show that the best has been done, that could have been done, under the circumstances.

In September, 1872, the amalgamation was decided upon, and subsequently in October I received official information that I was appointed General Superintendent of the amalgamated lines, the chief offices and headquarters to be at Moncton—it being understood that the unfinished portion of the Intercolonial Railway, between Amherst and Truro, should, early in November, be open for traffic, and all the Government lines in both Provinces be operated thereafter under one management.

To incorporate two railway systems is, as you are aware, a task of no light nature under the most favorable circumstances; but in the case of the amalgamation of these railways, the circumstances were exceptional and difficult.

The principal Officers and Departments were generally filled by the appointment of persons who had previously held positions on the Nova Scotia and New Brunswick railways.

The selections were made, as far as possible, to meet and allay the sectional feelings which prevailed at the time, and to satisfy the various contending influences.

They were made also under the conviction, that the most of these Officers at least, would (when the amalgamation became fully effected, and the system fairly in operation) be found qualified for the positions respectively assigned to them.

The work of amalgamation in so very short a time, and in the absence of proper stock and facilities for doing the work, proved to be a very serious matter; the difficulties being enhanced by the severity of the winter of 1872-3, one almost unparalleled in the history of the country.

The Officers were, early in December, removed from Halifax and St. John respectively to Moncton, under the most disadvantageous circumstances; and men who would work sufficiently well, so long as they had routine duty to perform in a regular manner, became upset and of little service. It was therefore necessary to employ an additional force. Experienced men could not be procured, and we were compelled to do the best which could be done with the class of men available, until all parties became used to their altered positions.

No suitable place for Offices could be procured, and the staff had to be separated Clerks were crowded into places remote from each other, and without proper means of doing the work.

The new station house at Moncton was not fit to occupy, and remained so during the winter.

The engines and cars, which had been fully occupied during the whole season (a large proportion in ballasting the new line) were very much run down, and repairs were urgently required.

We were without repair shops, except at Halifax.

The water supply for engines had been destroyed during the grading of the Moncton station yard, and the new supply had not been got ready; and to add to the other troubles, the shop at Shediac, with all the stores of the European and North American Railway, were destroyed by fire, just before the amalgamation.

The disorganization at headquarters was in consequence complete, and great confusion prevailed.

The pressure at this time was so great, that in order temporarily to meet promptly the requirements of the Railway and to secure regularity in the purchase of stores, I sent a *Printed Order Book* to the Station Masters at Richmond and St. John, with instructions to grant orders in my name, for such necessary stores as might be called for by the local storekeepers, upon the requisition of the officers in charge of the various departments.

This arrangement was designed to be of a temporary character, to be continued only until the staff and other matters at Moncton, could be got into working order.

About this time my nervous system became deranged, notwithstanding which, I continued to attend to business until about the second or third week of December, when I was called to Ottawa, and subsequently in January left for England, whence I did not return until May of that year. I did not resume charge of the railway until June, and did very little work indeed until July.

In the meanwhile the Station Masters at Halifax and St. John had continued to issue orders for stores. The officers in charge of the accounts of the old lines worked up their books to the date of the amalgamation, and the chief accountant commenced the new books, but made little progress, as the work was continued upon the old system.

The accounts were seven months in arrears. The check ledger at Moncton was irregularly and badly kept, whilst the one at Halifax had not been written up at all, for the reason that the duty had been assigned to inefficient and careless men, of whom, at the time, it was difficult to get rid.

The fuel account had not been adjusted; the road stock had not been taken, and generally the accounts were in a very unsatisfactory condition.

I commenced to remedy this condition of things without delay.

I withdrew the order books from St. John and Halifax.

I inaugurated such stringent rules with regard to the purchase and disposition of stores as I felt authorized to make, and commenced generally a system of recuperation.

About this time, too, I changed the system of accounting, so that each department should keep its own accounts, and thus cause the work to be done more effectually, in a much shorter time, whilst greatly relieving the chief accountant.

The work of systematizing and getting up the accounts was continued throughout the year. Delays were occasioned by unforeseen circumstances, so that we had only

succeeded just prior to the visit of Mr. Brydges, in getting the accounts so far advanced as to be in a position to adjust for a fair start on the 1st July last, when I expected the requisite statements and returns would be available to enable me to secure the necessary checks on the different departments of the service.

Until the accounts were written up there was no alternative but to continue the ordering of stores upon the requisition of the heads of departments, comparatively speaking "in the dark."

I had necessarily to rely very much upon Mr. Sadler, the general storekeeper, whom personally I believe to be reliable.

I am satisfied that he did the best he could under the circumstances, but as he had himself everything to learn, and was undoubtedly hampered by some men who were inefficient and incapable, but of whom it was difficult to get clear, and as he was deficient in force of character, he labored under many disadvantages.

There can be no doubt that an efficient general storekeeper would have enabled us to avoid many of the difficulties into which we have been led.

Such an officer must in fact be the backbone of any railway system, and unless he is from every standpoint efficient, it is exceedingly difficult for any manager to succeed, however anxious and careful he may be, as he must be put in possession of the requisite information before irregularities can be checked.

In the commencement of his report, Mr. Brydges says: "The General Superintendent has full charge of everything connected with the railway. *His orders and directions are supreme*, and all departments and all officers have to take his instructions, and apply to him for orders upon all points."

If it be true that I have "*supreme*" authority, then I at once admit that I am altogether responsible and to blame for the irregularities and deficient supervision, found on the occasion of the visit of Mr. Brydges, but if, as is well known, I have been obliged to accept persons who were nominated or appointed only for political considerations, and with whom I was expected to do the best I could, however incompetent, without the authority to dismiss them, then it is quite obvious that *no such responsibility can attach to me, except as a matter of theory.*

It may be asked, Why did you not complain? To this I reply, that as official communication might prove a source of embarrassment, an officer is generally expected to make reports only when called for, and inasmuch, as information upon any such subject has not been asked, I did not deem it to be my duty to give it.

In 1869, when, in the performance of my duty, I undertook by direction of the then Minister of Public Works, to revise the management of the Nova Scotia Railway

and changed or dismissed a small portion of the staff whom I could not utilize, the outcry was so great, that I was soon given to understand that the claims of "old public servants," however inefficient, were above every other consideration and that if I wished to get along peaceably, I must at least let political considerations have their way. To such an extent has this political system been carried, that however well satisfied I might be, of an officer's inefficiency and want of qualifications for the position he held, I could not get rid of him without being charged with having some prejudice against him.

In fact, it has been and still is the custom, for men to have political patrons, who are ready to become their champions upon all occasions.

The effect of this system has been so injurious, that it has been difficult, except under very exceptional circumstances, to get any person having charge of a department or branch of the service, to report subordinates for incapacity, or indeed ordinary offences of any kind, lest the fact that he did so, would re-act politically upon himself.

Was this the reason why he did not complain

The foregoing facts, will I think conclusively show, that the position of Genera Superintendent of the Intercolonial Railway, has not been one of *supreme* authority but that on the contrary the position has been fettered.

I quite concur with Mr. Brydges' statement that the present system is a vicious one, and that until the staff is appointed and maintained upon its merits, the Manager will continue to be hampered in the proper discharge of his duties.

The chief officer of a Railway should be invested with "*supreme authority*" in all matters relating thereto, and should have power to appoint and dismiss employees from time to time, as the interests of the service may require.

The responsibility of an officer possessing such authority would be a *reality*, but as this principle is departed from, so in proportion must his responsibility be lessened.

The result of a proper adherence to this principle would be apparent in the promptness and alacrity with which the duties of every department of the service would be performed.

Under such control, returns and statements would be furnished at the proper time, so that the Manager would not be obliged to take anything "for granted."

If the Manager possessed the requisite qualifications for the position, the supervision would then be complete.

With regard to St. John Station, I may say that it is much easier to find fault than to remedy an evil, as Mr. Brydges is no doubt fully aware.

The difficulties at St. John Station arose out of and are altogether due to political

influences, and the natural dislike of men in charge to be brought into conflict with members of Parliament, when they feel that the sympathy of those in authority is pretty sure to be favorable to the supporters of the Ministry.

It is natural, therefore, that men should desire, under such circumstances, to get along with as little contention as possible.

The Freight Agent at St. John had charge of the Freight Department at that place, and in the performance of his duties was responsible to the Station Master.

Because Mr. Pick, the Freight Agent, was believed to hold a high position in a society supposed to have great political influence, his assistance was sought, naturally enough, by all parties seeking Parliamentary honors.

He appears to have deemed his influence sufficiently great to justify him in disregarding the instructions of his superior, or of obeying them only in such a manner as absolutely to defeat the best efforts to maintain discipline and secure the proper conduct of the Station business.

The result was, as might be expected, a continued feud, which Mr. Brydges has termed a "divided responsibility."

On several occasions I held investigations, and did the best I could to promote a better feeling and induce the Freight Agent to co-operate with his superior, but without success.

Oh! I understand sufficiently well the source of all the trouble, but I was restrained by the political phase of the matter from taking extreme measures.

I may also add, that although the Freight Agent had been repeatedly instructed not to give credit, he persisted, under one pretence and another, in returning such debts as "Freight in Store." Why not complain?

The Station Master, finding that he was powerless to remedy the difficulty, deemed it better to let things shape their own course, and have as little as possible to do with the Agent.

This may account for the Station Master's ignorance of the items which composed the balance of the accounts of the Freight Department at his Station, at the particular time when Mr. Brydges was there.

The accounts were correct and properly made up, except in the item of 'Freight in Store," in which the debts were included.

The irregularities consisted in permitting these debts to exist for a day, and in entering them as Freight in Store, as well as in his neglecting to insist at the proper time upon the payment of the charges for demurrage.

The staff at this Station has been reduced to some extent by changes and the employment of more competent men.

The Auditor did not visit this Station, because he had not time to do so, and because he was satisfied from the audit at Headquarters, that the accounts were in the main correct.

On the dismissal of the Station Master at Point Du Chene, I gave Mr. Pick charge of that Station, the duties of which he has since performed in a satisfactory manner.

No person has been appointed to fill the place vacated by him at St. John, where the work is well conducted.

In relation to the balances at Stations, I beg to say that although the amounts in a few cases have been large, yet, it is difficult at all times, to avoid having balances, which are in most cases, remitted shortly after they appear.

The Station Masters and Freight Agents as a rule, remit daily and especially, each Saturday, and the last day of every month. These remittances are sent by an early train, so that the Cashier may get them the same day.

The station accounts are made up to Saturday evening, and the evening of the last day of the month, so that all monies received between the time the remittance was sent in the morning and the close of the day, must appear in the balance.

To adopt any other course, would enable an agent to use the current receipts to pay arrearages and thus commit a fraud.

In order to check any undue retention of Railway money, I have given instructions to the Station Masters, when showing the balance at any given time, also to show their receipts after their last remittance.

The services of the Travelling Auditor, will also now be available to check matters of this kind.

I have now to refer to the agency at Point Du Chene, where the Station Master did not appear to good advantage, on the occasion of Mr. Brydges' visit.

The Freight accommodation at Point Du Chene, until the present year, has always been so limited, that during the shipping season, the greatest confusion prevailed.

The pressure from this cause was so great, that it was difficult to do the work, and it has been a matter of surprise to many, that the agent got through with it.

When the improvements which had been in progress at that place since 1872, were

about finished, the violent gale of August of last year, carried away the Freight house. and destroyed a large portion of the wharf, so that the confusion became intensified, and the work could with difficulty, be performed at all.

During all this time, an effectual Audit at the Station was simply an impossibility, as no inventory could be taken of the "Freight in store." The result was, that we were forced to be content with the Audit of the accounts at Head quarters, where it was carefully attended to monthly.

This audit was complete up to the opening of navigation in the present year.

The only thing remaining to be done, was to give the station credit for the tickets which had been stolen by the clerks who ran off in 1872 and 1873, and some items of freight which were under the consideration of Mr. Taylor; and to enquire concerning some other amounts which the agent claims to have paid.

These amounts he included in the item of "Cash on hand," when accounting for the balance due the railway, as per his statement, every agent being required when rendering his weekly or monthly statements, to give the particulars of his balance, however large or small.

Some agents persist in putting down outstanding debts or other items as "Cash on hand," "Freight in Store," in spite of all that can be said to them. They do not appear to realize that they thus falsify their accounts, and nothing but a *wholesome* dismissal for any such offence will altogether cure the practice.

Before the lines were amalgamated, I used personally to audit the accounts at stations about which I had any doubt; and I can understand how difficult it is to induce the officers in charge, to be particular upon such points.

For myself, I can only say, that since my return to work in June of last year, I have been so much occupied in getting everything into working order, that I was obliged to leave this matter of station accounts to the Auditor (who is a very efficient officer), and to the Division Superintendents, whose duty it was to visit the stations at short intervals.

The Auditor explains that he had not the time to visit all the stations and keep up his other work.

The Division Superintendent, who had reported verbally as to other stations, did not report upon this, I presume, because when he could do so, the pressure of business at that station was so great that he did not see his way clear to get at the truth.

A certain amount of discretion has necessarily to be allowed to the Station Masters

at Point du Chene and Pictou Landing, in regard to the disposal of freight between the railway and the steamers and schooners, because the regular packets are not always able to take the freight offering.

The railway may, with few exceptions, always obtain payment of the charges on freight handed to the vessels; but in the case of "Freight delivered by the vessels to the railway," it frequently happens that vessels not regularly on the route, deliver cargoes to the railway, and wish to obtain their charges and sail at once. A manifest injustice would be done, if, with the goods in the possession of the railway, the crafts had to wait until their accounts were sent to the Audit Office at Moncton to be adjusted.

To insist upon this, would drive vessels off the route, and cause dissatisfaction and delay.

I am therefore of opinion, that the Agents must still be allowed to advance the "Back Charges" under a system of check which has been inaugurated.

With regard to the freight received and forwarded over the railway to Point du Chene for ports in the Gulf of St. Lawrence and Prince Edward Island, the system has been to give receipts therefor, and issue *Through Way-Bills* to each port of destination.

When these goods reach Point du Chene, which is the distributing point, inasmuch as it is not possible to know which vessel may be able to take them, discretionary authority is given to the Agent to send them forward as rapidly as possible.

In some cases, it happens that one vessel cannot take them all, and the Agent is compelled to engage another, or hold the balance over for a future trip.

Nothing is permitted to be done in a "hap-hazard" manner, as stated.

All goods going from the railway on to vessels are accompanied by a manifest, showing the particulars and charges thereon, and the proportion due the railway, which must be paid to the Agent, and accounted for by him.

The Audit has a complete check upon the arrangements made by the Agent with the vessels; for without special authority, he can only make arrangements with the owners by agreeing to pay them the proportion of the through rate fixed for the water service, they knowing what these proportions are.

With regard to the Ticket Clerk at Richmond, who has since been discharged, I need only say, that when the Auditor visited the station in August last year, he reported that the Ticket Agent was short in his cash.

I instructed him at once to return to the station, without giving the Ticket Agent notice of his intention to do so, and make a second examination.

He did this, and found his accounts in order.

I subsequently admonished the Ticket Agent, and as he then promised that such an irregularity should not occur again, I allowed the matter to pass.

I may add that I felt the same political constraint in this case as in others. Oh!

In respect to the amount of $4,756.20 standing in the books at Richmond against the Acadia Coal Company, I beg to say that this Company had a contra account for coal supplied to the Railway, but which had not been adjusted.

In regard to the Freight Tariff, as it was a matter that came directly within the province of the General Freight Agent, I gave him instructions about a year ago to prepare a Tariff assimilating the rates over the entire system.

He was engaged upon it at the time he left the service, his desire being to make it very complete.

With regard to the condition of the fencing between St. John and Moncton I beg to say that the Contract was awarded by the Department to the party making the lowest tender.

As he delayed proceeding with the work I represented the matter to the Minister. The Contract was subsequently given to another party, and the work is now progressing satisfactorily.

I quite agree with Mr. Brydges when he says that all sleepers should be got out during the winter, and deposited in convenient spots along the line by the middle of April that the work of putting them in should be divided over a considerable portion of the summer, so that the work can be done without the unnecessary employment of extra men.

I also agree with him in the remarks that the rails required for the next year should be decided upon during the Fall of every year, so that the deliveries should commence not later than the first of May, and that they should be laid leisurely during the summer months.

I may say with regard to this subject, that the years 1872 and 1873 were altogether exceptions.

The consolidation of the lines, as it is well known, did not take place until the 9th of November, 1872, and it was late therefore before the number of sleepers required could be decided upon, nor was the quantity of rails required known until January, 1873.

Tenders for sleepers were called for and they were procured as soon as possible. The winter was not favorable to their being procured, but they were obtained about as rapidly as they were wanted.

The balance of the rails required were ordered in January, but owing to the strikes, and the difficulties of getting this description of materials manufactured they could not be shipped from England, until late in the Spring, so that the first shipments did not arrive until June.

The Tenders for sleepers for 1874, were sent unopened to Ottawa, and owing to the delays, the contracts were not signed until a later period than usual.

The first shipments of rails for this year, were arranged to be received early in May, but when it was found that the balance of last year's appropriations would not be sufficient to pay for them, instructions were given to postpone the shipments one month, in order that the Parliamentary appropriations for the current fiscal year, might be available.

In regard to the purchase of rails, as this is one of the most important features in Mr. Brydges' reports, and as the allegations contained therein concern me personally, as I am altogether responsible for having in the performance of my duty, ordered them, I feel it necessary that I should vindicate myself from the charge of having purchased at higher rates than were current in the market.

In the first place, let me correct an error in Mr. Brydges' figures.

The rails for 1873 were purchased at £16 12s. and £17, not £16 12s. and £17 10s. per ton.

In July, 1872, I directed Messrs. Haws & Co. to procure and ship 500 tons of steel rails on account of the European and North American Railway (Shediac line).

This lot was arranged for early in the fall of that year, at £16 12s, although the lowest price at which the Mersey Steel and Iron Company at Liverpool, would then engage to deliver this quantity in the spring of the following year was *£19 sterling, net cash*, or £2 8s. higher per ton than Haws & Co., purchased for, as will be seen by reference to the letter of the Secretary of that Company, dated 22nd August, 1872, a copy of which will hereinafter be found. These rails formed part of the shipment of the spring of 1873.

Just before my departure for England, in January, 1873, after a consultation with the Engineer, I found that rails to renew twenty (20) miles of the line would be required as soon as possible. I took the order with me, and on my arrival at Liverpool, requested Messrs. Haws & Co., who had always done the railway business in England satisfactorily, to see upon what terms they could secure 2,000 tons of the best description of these rails, for early spring shipment.

They accordingly sent to me in London an offer of £17 free on board at Liverpool, and as I found, after making personal enquiry, that this offer was better than could be done elsewhere, I directed them to accept it, upon the understanding that the rails should be shipped early.

At this time, it must be borne in mind, that the iron market was in a most anomalous state, strikes were raging throughout the whole of England, and makers were not disposed to undertake any more contracts.

At the time this purchase was made, rails were being booked for 1874, at prices varying from £17 10s. as high as £19, and from January to July, 1873, the prices of steel rails ranged from £16 10s. to £18 sterling, the latter price being freely paid for such first-class brands as that received.

In confirmation of this, I beg to refer you to a copy of a letter from Mr. James Simpson, Liverpool, which will hereafter appear in this report, together with a copy of a letter from the Hœmatite Iron and Steel Company (Limited) of Barrow, dated the 13th February, 1873, by which it will be seen that they could not "entertain any further "orders for steel rails for delivery this year."

Mr. Brydges in his report says: "The highest price paid for rails by the Grand Trunk Railway at this time was £16 per ton."

I understood from Mr. Brydges, that this was for a purchase of *six thousand* (6,000) tons by the Grand Trunk Railway (f. o. b.) at Barrow, from the house which on the 13th February, 1873, refused to "entertain any further orders for steel rails" for that year.

The question may now fairly be asked when did the Grand Trunk Company make *their* contract?

The letter from the Barrow Company which I have quoted, distinctly shows that it must have been *before* we went into the market, and that the Grand Trunk Railway rails were *not* "bought at the same time."

Mr. Brydges, when manager of the Grand Trunk Company, doubtless gave this Barrow firm extensive orders from time to time, and being so good a customer, he was naturally in a position to get better terms than smaller buyers.

It must also be borne in mind that I ordered only two thousand (2,000) tons of a *special section*, at a time when houses were filled with orders and at a late season of the year for early delivery.

The freights paid were the prevailing rates in Liverpool at the time they were shipped.

Respecting the rails for 1874, seventeen hundred and sixty tons were purchased in December last at £15 10s. for shipment to St. John, and seventeen hundred and sixty tons in January, 1874, for shipment to Halifax, at £15 15s. per ton, and I have every reason to believe that the same prudence and care, were exercised in this purchase, as in the case of those arranged for by Messrs. Haws & Co., in 1872 and 1873.

Printed trade circulars which I have in my possession give the following prices during the months of December, 1873, and January, 1874, for rails, *ordinary* sections and specifications:—

December 1st, 1873	£16 00	to	£18 00
" 4th, "	16 00	to	17 00
January 2nd, 1874	16 10	to	17 00
" 22d, "	16 00		
" 29th, "	16 00		

These figures will, I think, show that the rails purchased by Messrs. Haws & Co. for this railway in December last at £15 10s., and in January at £15 15s., free on board, were *below* the current market rates.

It must also be borne in mind that these rails were all of a *special section and of first-class brands.*

When the question of the purchase of these rails first came up, on the occasion of the first visit of Mr. Brydges, I at once wrote to Messrs. Haws & Co., under date 13th June, and received from them a reply dated 30th June last.

The following is a copy of that correspondence, with letters from Mr. James Simpson, The Mersey Steel and Iron Company (Limited), the Secretary of the Hæmatite Iron and Steel Company, Barrow; and also from Messrs Sanders Bros., Liverpool.

MR. CARVELL TO MESSRS. HAWS & CO.

"MONCTON, 13th June, 1874.

"DEAR SIRS,

"Mr. C. J. Brydges, who has been here during the past two weeks, under the authority "of the Canadian Government, making a thorough enquiry into everything pertaining to the Inter-"colonial Railway, has said to me that we have paid both last year and this much higher rates for "our steel rails, fish plates, bolts and nuts, than they could have been procured for.

"He says that the Grand Trunk in 1873, (I presume the beginning of the year), bought 6,000 "tons, f. o. b., at Barrow, at £16 sterling, and that the freight and insurance to Montreal cost 28s. "per ton; that fish plates cost them £12 10s. sterling, and bolts and nuts £24.

"He further states that in January of this year, he bought from the same people for the Inter-"colonial Railway Commissioners at £15 10s. sterling, delivered at St. John, N. B.

"These statements in view of the prices arranged for by you, surprise me very much. Wha "have you to say in reply?

"When giving you the order for these rails, I supposed you would be able to get them upon "terms as favorable as any others. It is not pleasant now to know that we might have done so "much better.

"Be good enough to reply to this letter by return mail in order that I may be in a position to "reply to enquiries which will be made in regard to this subject.

"(Signed) L. CARVELL."

MESSRS. HAWS & CO. TO MR. CARVELL.

"42 SOUTH JOHN STREET,
"Liverpool, 30th June, 1874.

"SIR,

"Your letter of the 13th instant is to hand, and the contents have caused us grievous disappointment as we at all times, before closing the orders of our esteemed correspondents, make enquiries of several parties in the trade, as to the prices of the articles required, and we invariably give the order to those who can fill it at the lowest rate, having of course regard to the quality of article required.

"This course we adopted with all your orders, and we are still confident that we have obtained all your goods at the lowest rates prevalent at the time we purchased them.

"We enclose circulars which will show you the rates ruling at the time we purchased, also letters from Mr. James Simpson and Messrs. Sanders Bros. relative thereto. We respectfully beg to remind you that at the time we received your esteemed order for 2,000 tons of steel rails for early delivery in the spring and summer of 1873, the trade of the country was in a very anomalous state, owing to the strikes raging both in the coal and iron trade, and that it was next to impossible to obtain quotations for early delivery as required by you; you will also please remember that before accepting the offer of this lot at £17 per ton, we submitted the offer to you, and that you accepted it, as you will find on reference to your letter, dated in London, 25th February, 1873.

"As regards the order for this year which is now in course of shipment, we beg to say we followed our usual course, and that the price quoted by Messrs. Sanders Bros. was the lowest offer we could obtain, and as you will see by the circulars sent herewith, the price is below the rate quoted in the market. We acknowledge that prices have since fallen below the figure at which we purchased, but we could not foresee this, and in fact, the indications then were that prices had touched their lowest, and any change that should take place would be upwards, and this was shown from the fact, that we could not place the lot for Halifax on quite as advantageous terms as the St. John lot.

"We feel it due to ourselves thus to enter fully into the matter, as we are conscious of having done our best to obtain the rails at the lowest possible price ruling in the market for a good article at the time we purchased. We also beg to call your attention to the fact, that you impressed upon us the importance that the rails should be shipped early, and consequently we could not hold off any longer, if we were to have them ready at the time first named by you.

"The makers of the 500 ton lot in 1873 was the Ebbw Vale; and of the 2,000 tons, Guest; and those of this year are made by the Mersey Steel, and Messrs Bolckow, Vaughan & Co.

"(Signed) JOHN HAWS & CO."

MR. JAMES SIMPSON TO MESSRS. J. HAWS & CO.

"10, Rumford Place,
"LIVERPOOL, 26th June, 1874.

"GENTLEMEN,

"Referring to the complaints which you have received respecting the price of the rails (steel) sold you last year—I think if your friends had been here during the early part of 1873, at

"the time the purchase was made, they would have been convinced that not only was the price a "very reasonable one, but they would also have discovered that makers were then so full of orders, "both for early and forward delivery, that comparatively few were in a position to book additional "contracts. I have several letters, received from different makers during the period referred to, "saying that they were fully sold for the entire year, and orders were even then being entered for "1874, at prices varying from £17 10s. as high as £19. It is also to be borne in mind, that the mar- "ket was advancing during the early part of 1873; and the purchase to which you refer, of 6,000 "tons at £16 f. o. b., at Barrow, must have been made early, the large quantity being also a consid- "eration to the seller.

"I enclose you a letter from the Barrow, Hæmatite Co., dated 13th February, 1873, from which "you will see that they were then full of orders for the entire year.

"From January to July, the range of prices of steel rails was £16 10s. to £18, the latter price "being freely paid for such first-class brands as that you received, namely Guest's. I cannot, there- "fore, see what grounds of complaint there can be at the price of £17 under the circumstances; nor "do I think I could have supplied them so cheap, had I not managed to get them delivered on "account of an existing contract.

(Signed), JAMES SIMPSON.

HÆMATITE IRON AND STEEL WORKS, TO J. SIMPSON, ESQ.

"HÆMATITE IRON AND STEEL WORKS,
"BARROW-IN-FURNESS,
"13th February, 1873.

"DEAR SIR,

"We thank you for your enquiry dated yesterday, but cannot entertain any further orders "for steel rails for delivery this year.

"(Signed) HENRY THOMAS,
SECRETARY.

MERSEY STEEL AND IRON CO. TO J. W. TURLEY, ESQ., LIVERPOOL.

"DEAR SIR,

"In reply to yours of the 21st, we enclose section of steel rail, the nearest we have to "yours. If this will do, our price for 500 tons will be £19 per ton, net cash, against B. of L., delivery "in spring of next year."

SANDERS BROS. TO JOHN HAWS & CO.

"32 AND 33 THE ALBANY,
"Liverpool, June 30, 1874.

"DEAR SIRS,

"We have your favor of the 26th inst., and cannot but express our surprise at any such "question being raised as you have laid before us. The purchases you made from us, have, it is "true, turned out unfavorably, though on the other hand, had there been an advance instead of a "decline, your buyers would have congratulated themselves that the market had gone in their favor. "The prices paid at the time the contracts were made were the current figures of the day, as a refer- "ence to the circulars enclosed, which are issued by the leading railway iron brokers in this country, "will readily show.

"The course of a market subsequent to the conclusion of a purchase is beyond the control either "of a buyer or seller, and is a contingency the purchaser has always to consider.

"Exceptionally unfavorable circumstances have developed themselves within the last six "months, causing a stagnation of trade and depression of prices in iron, such as no one could antici- "pate or guard against in any way.

"In fact so uncertain was the future, that many makers declined to contract for forward "deliveries at all—the prices asked for all descriptions of raw materials being so extravagant that "they preferred to wait until matters became more settled before committing themselves to actual "sales.

"(Signed) SANDERS BROS."

I think this correspondence will show conclusively that the rails were at least purchased upon the best terms prevalent at the time.

I was in England, as I have already said, when the 2,000 tons (the major portion of the shipment of 1873) was bought, and can state that every reasonable effort was made to make an advantageous purchase, and although I was not present when the rails for 1874 were contracted for, I had no reason to believe that any less care and attention were used than in the case of the former order.

The rails for 1873, through an oversight on my part, were all shipped to St. John, instead of part to Halifax. I did not discover this omission in time to correct it.

With regard to the statement made by Mr. Brydges that "the price charged by the "Spring Hill Colliery is $3 75 a ton, and by the Pictou Coal Company $3 25, and "that he has no doubt whatever that arrangements can be made to get this coal supplied "at least $1 cheaper a ton than the lowest price mentioned."

I desire to say, that the railway only paid the Spring Hill Company *$3* per ton for coal supplied in May, and *$2 75* per ton in June and prior to Mr. Brydges' visit, I notified the Managing Director that we would not pay more than *£2 50 in July*, and that the railway would expect to have the advantage of any further reduction in the market, as coal was everywhere receding in price. With regard to coal from the Pictou Company, the price we had been paying at the junction of the coal lines with the main line was $3 25, the rate at one time was as high as $3 50, to which figure it had gradually advanced, as coal was in demand from $2 in previous years, but as the price receded about the 1st May to $3, f. o. b., vessels at Pictou Landing, and the mining company having to pay the railway carriage 25c. per ton, I refused to pay more than $2 75 per ton at the junction. I was satisfied from the generally depressed state of business that the rate would soon become $2 50.

Under these circumstances, the saving would be only 15 cents per ton, which on 20,000 tons, arranged for by Mr. Brydges, would be $30,000 instead of $25,000 which he claims will be "the reduction in the cost of fuel under the new contract."

But I must here state that in July, I was notified by the Vale Coal Company that the price of their coal was reduced to *$2 25* or *ten cents per ton less than the contract*, and I have no doubt whatever that at any time since, the railway could have contracted for 10,000 to 20,000 tons at from $2 to $2 10 per ton, so that comparing the contract price with the rate at which the coal might since have been arranged for, the contract occasions a loss of about $5,000 instead of a gain of $25,000.

Another important question dealt with in Mr. Brydges' report is the Stores Department.

I at once admit that the affairs of that department were not in the satisfactory condition which I could have desired, and that in some cases, the stock of material was in excess of the requirements.

In the foregoing part of this report, I endeavored to show the loose state into which this department had fallen from various causes. I explained, how, on the transfer of the offices to Moncton, there was no proper system of check on accounts to meet the requirements of the newly amalgamated stores. That, as a temporary expedient I had, in order to meet promptly the requirements of the railway, to send Printed Order Books to the Station Masters at Richmond and St. John, with instructions to grant orders in my name for necessary material called for by the local storekeepers on the requisition of the heads of departments.

I also explained how, at this important juncture, I was obliged to be absent for several months, and how, instead of the system of issuing orders for stores in my name at Halifax and St. John, being only allowed to remain in existence for a few weeks, until a proper system could be adopted, it remained in force for a period of about six months,

I also took occasion to state the steps which I adopted, soon after my return, to remedy the condition into which the Stores Department had drifted, first of all by with drawing the Order Books from Halifax and St. John and issuing all orders direct from the General Storekeeper's office at Moncton, under such a system as I could enforce in the face of their being no general check ledger account of each article, which left me no alternative but to rely upon the discretion of the heads of departments, not to order in excess of what was actually required.

I have also shown that although the late General Storekeeper no doubt endeavored to do his best under the circumstances, he fell very far short in maintaining control over his department.

As my time was so completely occupied with the affairs of the railway generally, it was simply impossible for me to attend to every detail of the service, and I was obliged after giving them proper instructions (which I did) to rely upon my principal officers to attend to details, concerning their respective departments.

Of course it is easy to understand that in making an inspection, such as Mr.

Brydges did, there is an evident inclination not to understate the weak points, from which past experience shows no railway is free, nor to manifest any anxiety to give credit where credit is due.

In regard to the alleged extraordinary quantity of iron castings which is said to be on hand, it is to be borne in mind that our engines and cars are of an unusually great variety for our system of railway, and as such castings are liable to be called for at any time, in case of accident or emergency, we are necessarily compelled to keep a larger supply on hand than would be required if our engines and cars were of a uniform pattern.

In order to show that this will account for the quantity of this description of material in store, I beg to refer you to an appended statement of the castings on hand at Moncton and Richmond, which will, I think, prove that as there are upwards of *200* patterns at Moncton and *270* at Richmond, the quantity of each kind in store is not very "exorbitant."

It will be noticed that the quantity at Moncton was swelled by a considerable number of castings saved from the fire at Shediac, which will have to be sold, as they have been rendered unfit for use.

To show how the question of bar iron and castings stands at the present time, I beg to make the following statement, which gives the actual stock at Moncton and Richmond, on the 30th June and 30th September, respectively :

DESCRIPTION.	Stock at Moncton.		Stock at Richmond.	
	30th June.	30th Sept.	30th June.	30th Sept.
	IN LBS.	IN LBS.	IN LBS.	IN LBS.
Refined Bar Iron	123,158	84,070	89,308	31,468
Lowmoor do.	2,635	13,683	19,732	17,426
Refined Boiler Plate	8,257	6,059	14,378	8,298
Lowmoor do.	845	772	33,602	49,216
Sheet Iron	1,188	1,840	8,116	6,406
Russia Sheet Iron	430	200	335	—
Galvanized do.	1,210	1,139	237	—
Roofing Iron	7,989	6,229	—	—
Tank do.	1,680	1,357	—	—
Hoop do.	—	—	110	110
Angle & T Iron	—	—	1,455	1,277
Swedes do.	—	—	4,547	4,547
Iron Castings	97,624	80,652	148,560	122,690
Brass do.	4,865	4,902	8,968	7,355

It will thus be seen from the above and the statements appended hereto, that whilst there were in stock at Moncton on the 30th September about 42 tons of bar iron, they included *74* different kinds, that whilst the stock of Lowmoor bar iron was equal to about 7 tons, it included *9* different kinds, that whilst the iron castings were equal to about 40 tons, they included upwards of *200* different patterns; that whilst the bar iron at Richmond, at the same date, amounted to less than 16 tons it included 47 different kinds; that whilst the Lowmoor bar iron was less than 9 tons, it included 24 different kinds, and that whilst the castings were about 62 tons, they included *270* patterns.

In considering these statements, it should be borne in mind that the outsizes of iron have generally to be specially imported, and a larger stock is necessary than otherwise would be.

The consumption of these articles for the last fiscal year was as follows:—

	lbs.
Refined bar iron	419,255
Lowmoor "	12,748
Boiler plate "	31,158
Sheet "	46,064
Galvanized "	2,108
Russia "	1,529
Tank "	6,336
Angle & T. "	763
Iron castings	418,767
Brass "	21,776

As Mr. Brydges refers very specially in both his reports to the springs purchased last year from Messrs. Fraser, Reynolds & Company, Halifax, I beg to explain as follows:—

As I have before stated, Printed Order Books were sent, in December, 1872, to the Station Master at Halifax, so that on the requisition of the local storekeeper such necessary materials called for by the head of the Locomotive Department at Halifax, might be procured.

On the 24th March, 1873, when I was in England, it appears that the master mechanic applied for a large supply of springs, whereupon an order on Messrs. Fraser Reynolds & Co., (who supplied the railway stores required in Nova Scotia) was made out for him by the Station Master at the instance of the local storekeeper.

I knew nothing of this transaction until a commercial traveller came to me during the summer of 1873, and presented a specification of springs which he said had been ordered for the railway, but which being refused, were then lying in the warehouse at Halifax. He said he was desirous of selling them upon reasonable terms, but I refused to buy.

In the month of November or December, when the monthly account of Messrs Fraser, Reynolds & Company was presented, I found that a quantity of springs, corresponding with the specification handed to me by the traveller to whom I have alluded, were charged therein.

Supposing them to be the same springs, I immediately directed the item to be erased.

Shortly after this, I received a message from Messrs Fraser, Reynolds & Co., asking why the item for springs was struck out of their account.

I replied that an explanation was necessary. Soon after this, (being in Halifax) I called upon Messrs. Fraser, Reynolds & Co., to know what the transaction meant. They immediately presented to me the order referred to of the 24th of March, informing me hat they had imported the springs in accordance therewith; that when the first lot arrived, they were not the same as the specification called for, and they had refused them, the parties shipping having at once duplicated the order as per specification (which included a patent right) and that as the springs had been furnished to the railway in good faith, they expected to get paid for them.

I then objected that the price was very much too high, when they said they had paid a very high rate for them.

I still objected to the price as extravagant, when they said that if I preferred it they would make out the account at the price which they paid for the springs, and charge the railway all the expenses attending them, with five per cent. commission.

I at once said that I preferred they would take this course, which they did.

An account in this form was subsequently presented and paid.

As Messrs. Fraser, Reynolds & Co., held our order and were not limited to price, I did not see any other course to pursue.

Referring to the question of prices, I would state that in New Brunswick, the rule has been to purchase stores, &c., in the cheapest market, but in Nova Scotia the practice has been quite different. There the principle has been in force for years that (in some important matters at least) "to the victors belong the spoils," so that when Governments have changed, it has been generally expected that the supplying of stores and the printing would be handed over from one party to the other.

When I was in Nova Scotia in 1869, the stores were generally purchased from Messrs. Black Bros. & Co. When I resumed charge of the railway in 1872, Messrs. Fraser, Reynolds & Co. had the railway account, and after the recent change of Government, I was directed to purchase such stores, not procured by tender or contract, as

might be required for the use of the railway in Nova Scotia, from Black Bros. & Co.' who expected a commission to be paid to them on all stores in which they did not themselves deal, but had to go out to buy.

I was subsequently instructed to purchase only such stores from that firm as they dealt in.

Under such a system, higher prices have no doubt been paid than if we had been permitted to buy in the cheapest market, irrespective of parties.

I should add, however, that I have recently been directed to procure stores, and get the printing done on the best possible terms.

It is true, as Mr. Brydges says, that there is no "ledger account for each article" kept in the general storekeeper's office, although arrangements for such a system had been made. With the staff then in the Stores Department, it was impossible up to the time Mr. Brydges was at Moncton to get this ledger started.

The book-keeper was fully employed and the other clerks in that office were not capable.

This was one of the reasons why we were unable to exercise as full a check as was desirable in the procuring of stores. The difficulty is now being remedied as rapidly as possible. In the meantime only such stores are being purchased as are absolutely necessary for immediate wants.

With regard to the stock of stores to be kept on hand, whilst I am satisfied that we could get along with two months' supply of the material which could be procured in Canada or the United States, it would not be possible to do so, with the supply of articles required to be imported from England.

Our experience has been that it takes three months, sometimes four or five, and even six months, to procure special descriptions of articles from England. The stock, however, shall be kept down to the lowest possible limit.

The variation of one thousand dollars in a total stock of $162,246 32 at the three stores, Richmond, Moncton and St. John, is not I think, a very formidable item, when it is considered that at the time Mr. Brydges asked for the figures, the books were not in a condition to afford the information, and the statements had to be made from the best data to be obtained, in a most hurried manner.

Indeed, considering that at the time of his visit, the staff were steadily preparing to have everything ready by the 30th June, the end of the fiscal year, and not by the second week in June—the time of the inspection—and that they were taken unprepared, I am rather surprised the returns came out as well as they did.

I have no doubt that as soon as the Stores Accounts are finally adjusted, the stock as taken will always appear as it should, in excess of the balance shown by the books.

With regard to the paragraph in which Mr. Brydges says :—

"There is no statement of where the wood and coal is,"

I may say that a ledger account is kept in the Stores Department of the quantities received and issued at each station, to which coal and wood are supplied, and also of the quantity of wood on the line not delivered to stations ; but the Fuel Ledger at the time of the inspection was very badly kept, and not in a state to afford correct information.

I will refer again to this matter when dealing with the fuel.

In regard to track stores, the statements made by Mr. Brydges are correct. The clerk who had charge of the Road Department accounts in the Engineer's Office, neglected his work under one pretence or another. His conduct was, after a lapse of time, reported to me by the Accountant ; and finding that drunkenness was the cause of the neglect, I at once discharged him. The case was an exceptionally aggravated one and I resisted the numerous efforts which were made to restore him.

I may say, that this man was directly under the supervision of the Engineer, who was no doubt also influenced by the natural aversion to report neglect or misconduct ; at all events, he did not report him.

The work has since been brought up.

Very few of the stores are "obsolete," but those which are, shall be disposed of without delay, and every possible exertion made to reduce the stock of material, so that when the old rails now to be taken out of the track are disposed of, and the stock of wood is consumed, I have no doubt the stock will be very much reduced.

I have no doubt ultimately that the stock will not exceed from $200,000 to $250,000, which may be taken as the working capital of the railway.

I will now deal with that portion of Mr. Brydges' reports in which he refers to an alleged deficiency in the stock of fuel.

It would appear as if 4,800 cords of wood had been purchased, at a cost of $6.40 per cord ; that a considerable quantity of the stock on hand had been allowed to remain on the Nova Scotia Railway for several years, in a decayed condition ; and that on the 30th June there was a deficiency of *2,500* tons of coal, representing *$11,789.85*.

I will first refer to the *coal*, upon which Mr. Brydges has the following paragraph :—

"But there is another very unsatisfactory feature about the coal supply. Certain "stations have been cleared of coal, and after deducting the amount charged out from

"each of these stations, from the quantity delivered to them, there has turned out to be "a deficiency of about 2,500 tons at a cost of $11,789.85, which there are no apparent "means of accounting for, and which has had to be charged out to the cost of locomotive "working, during the last year.

"This very startling state of facts only came out on the completion of the balance "sheet the day before I left Moncton. I have caused enquiries to be made into the "matter, and shall, before long, have further particulars upon the subject, but it is "incomprehensible how in a year's supply of something like 20,000 tons of coal there "should be found to be at a few stations so enormous a deficiency as 2,500 tons, involv- "ing a loss of nearly $12,000."

This is no doubt "very startling."

There is, however, *no such deficiency.* The following are the facts:

When on the occasion of Mr. Brydges' second visit my attention was called to the large deficiency represented to have taken place in the coal, I was rather surprised, as neither the General Storekeeper or Fuel Inspector had said anything to me upon the subject.

It seems that on the 31st March last, the Storekeeper caused the deficiency which appeared upon the *face of the fuel ledger* to be written off, without enquiry as to its correctness, and without calling my attention to the matter. When I heard of it, my first impression was, that there must have been some blundering in delivering the coal to the engines, but afterwards, I feared, that it had been short received.

I was aware that the railway had not recovered from the effects of the extraordinary circumstances preceding and attending the severe winter of '72-'73, when coal was often taken wherever it could be found without regard to orders or rules.

I was prepared to hear of, and indeed expected, a deficiency, but not to such an extent as that shown.

I knew that no adjustment of fuel stock had been made on the 30th June, 1873 but I did not learn this until it was too late to obtain correct returns to that date.

It was a difficult matter to take the stock, and I was obliged to direct the Store keeper to adjust the fuel account as each shed became vacant, and in this way to get the whole matter rectified by the end of the financial year.

Upon considering the matter, it was important first to know it *all* the *coal* repre-

sented by the vouchers to have been purchased, was *actually* received. To satisfy myself upon this point, I ascertained that the consumption per 100 miles run of the engines (the alleged deficiencies being included) was as follows :—

1872	75.41	bushels.
1873	74.71	"
1874	66.57	"

This assured me that there was no serious error in the actual receipts, but to be certain that my view was correct, I examined the vouchers and found that where the purchases had been made by the chaldron, the quantity had been converted at the rate of 44½ bushels per chaldron, instead of at 36 bushels.

I would here explain that our coal accounts in the fuel books are kept in bushels. The effect of this error in a single item of 795 chaldrons (which appears in the accounts) was as follows :—

	Bushels.
795 chaldrons at 44½ bushels	35,377
795 chaldrons at 36 bushels	28,620
Balance over-charged to Station	6,757

It then occurred to me that as one and a-half tons were generally understood to be a chaldron, and that the standard weight of bituminous coal was 80 lbs. per bushel, an error had been made in charging out 33½ bushels to the ton of 2,240 lbs.

I therefore gave directions to have the coal weighed ; and it was found to run nearly 81 lbs. per bushel, or 27½ bushels to the ton, in place of 33½.

The result of this in charging *out* was, say :

33½ bushels of coal charged out @ 81 lbs per bushel	27.13
27½ " " put in shed @ 81 "	22.87
Pounds per ton over-delivered	4.26

I wrote to Mr. Brydges upon this subject, after his visit in August, and subsequently when I met him in Ottawa personally, explained the whole matter—when he said, "But "the question may be asked, Why did you not know of this before?" I at once replied that I could not be everywhere, nor look after every detail ; that I had a reasonable right to expect irregularities to be brought to my notice by those who were charged with the duty of the Department ; and asked Mr. Brydges what he would do with an officer who

would cause such a deficiency to be charged off without his knowledge. He replied, "I would discharge him." I then said, "Suppose you had not the power?" He answered, "That alters the whole matter." Then Report him

I fully expected that if Mr. Brydges deemed the matter of sufficient importance to refer to it in his report he would at least have given my explanation.

The result of the coal transactions of the railway for the *two years* ending 30th June last, is as follows :—

1872.		
July 1.—To Balance on hand, 21,036 bushels	765	tons.
1873.		
June 30—Received during the past year, 875½ chaldrons, and	14,720	"
1874.		
June 30— do. do. 845 " and	21,826	"
1720½ @ 36 bushels	2,256	"
	39,567	tons.

Issues in 1872-3	501,154 bushels,
" 1873-4	646,497 "
Stock, 30th June, 1874	86,095 "
Total	1,233,746 bushels.
which at even 31 $\frac{181}{1000}$ (instead of 27½) bushels per ton of 2,240 lbs., would equal the receipts as above, say	39,567 tons.

This statement, *which gives the facts as they really are*, shews that the *issues*, as taken from the monthly returns made by the Station Masters and Fuel Agents, and adjusted by the Drivers' returns, are largely in excess of the quantity paid for, and shewn by the vouchers and certificates to have been received.

The per centage which the *issues* are shewn to have exceeded the *receipts*, is less than the "overrun" usually found in coal received direct from the mines.

The statement of coal deficiencies at a few stations, which Mr. Brydges procured from the bookkeeper of the Stores Department in August last, *is of no value whatever*, as it was based, in some instances, upon quantities charged to stations in the Coal Ledger, when much less quantities were delivered; and in other cases, when much larger quantities must have been delivered than appears.

Thus, whilst St. John Station, upon the best information that I can get, appears to be 11,625 bushels short, at Moncton the issues exceeded the receipts to a much greater extent.

In relation to the wood, I need only say, that the price paid for this description of fuel last year ranged from $2.65 to $4.50 per cord of 160 cubic feet, which is the customary railway cord here, as against the Canadian cord of 128 feet.

The difference in the value as shown by the books, consists of the cost of sawing, loading and unloading, transportation and other incidental expenses, all of which, it was estimated (with the first cost) would be four cents per cubic foot.

This valuation has since been found to be too high by about $1,950, which it is estimated will be the cost of transportation, sawing and delivering 683 cords, which were on the line between stations on the 30th June last, and which fact was overlooked when the stock was valued.

Fuel balances can only be adjusted when the sheds and yards become empty, and the receipts and issues are compared. This will be done as early as possible.

Mr. Brydges is under a wrong impression when he states that a considerable quantity of wood has been on the line of the railway in Nova Scotia for several years, as there was only a small quantity in stock at the time of his visit, and that has since been much reduced.

The greater portion of the stock on hand is fresh wood, which was procured by contract last winter.

We had several wood-burning engines, and a certain quantity of wood was deemed to be necessary until it was known what shape the coal business would take. This description of fuel had been steadily advancing in price for two years, and at times it was procured from the mines only with great difficulty. We were, in consequence, frequently obliged to purchase in St. John from the coal dealers.

Under these circumstances, I considered it prudent last year to get a further supply of wood, more especially as I understood there were combinations to advance the price of coal, and it appeared then as if we might be obliged to buy at very extreme rates.

I think I have now replied to all matters in the reports of Mr. Brydges, which seem to me to require explanation on my part.

I regret that I could not do so more concisely, and but for a desire to be brief, I might have explained more fully several minor matters, which help to give coloring to his report.

If I have overlooked any matter decided essential, it will afford me pleasure to go into it as fully as may be desired on my attention being called thereto.

I feel confident that the facts which I have stated are sufficient to show that the management of the road has been as perfect as it could reasonably be expected to be under the circumstances in which I was placed.

I feel confident, too, that some merits as well as some demerits might be discovered in connection with the management.

But whatever opinion may be formed in regard to the management of the railway, it will not be denied that in its organization, seventeen years ago, and during the period of my connection with it, my best efforts have been devoted to its welfare, and its success has been my constant aim.

I have the honor to be, Sir,

Your obedient servant,

L. CARVELL.

STATEMENT

SHEWING THE

AMOUNT OF STORES ON HAND

AT

RICHMOND AND MONCTON.

RICHMOND STORE.

Statement showing the Number of Pieces of Castings on Hand.

No. of Patterns.	No. of Pieces.	Description.	Weight of each Piece.
			lbs.
	14	Fire bars	125
	8	" "	94
	16	" "	115
	1	" "	103
	12	" "	93
	8	" "	110
	17	" "	81
	16	" "	112
	2	" "	176
1,706	6	Friction plates	14
	4	Friction plates or blocks	11
	24	" " "	17
	3	" " Tender	12
1,123	8	Pump castings	51
1,679	5	Brake shoes	14
37	37	" "	16
1,603	13	" "	13
	22	" "	11
	5	" "	18
1,658	123	" " F. cars	30
1,261	23	" " Engine	14
	2	Lathe castings face plates	74
	3	Cylinder covers	106
	4	" "	65
	4	" "	62
	1	" "	81
	1	" "	104
1,234	2	" "	219
	1	" "	188
	4	" "	136
1,223	2	" "	73
1,103	3	" "	168
	1	" "	156
	2	" "	172
	1	Steam chest	255
	2	Balance wheels	392
1,193	4	Truck centres	130
1,192	2	Truck centres	127
	6	Car centres	50
	3	Truck centres	110
	1	Engine centre	296
1,664	3	Car centre, bottom	161
1,663	3	Car centre, top	65
	1	Engine centre	537
1,693	2	Car centres	50
	29	" " bottom	65
	29	" " top	62
	21	" "	35
1,624	28	" "	11
1,666	13	" "	32
	6	" "	23
1,258	3	" "	31
1,684	5	" " top	35

RICHMOND STORE.—*Continued.*

No. of Patterns.	No. of Pieces.	DESCRIPTION.	Weight of each Piece.
			LBS.
1,683	6	Car centres, bottom	44
	2	Pipe bends	53
	4	Pipe bends	28
	2	Car knees	31
	1	Bell Stand	72
	5	Pipes	25
	1	"	30
	1	"	37
	8	Eccentric straps	76
	5	" "	35
1,171	4	Steam chest covers	57
	6	" " "	77
	5	Oil boxes, engine	89
1,254	4	" "	61
	4	" "	76
1,248	7	" "	66
	16	" "	63
	2	" "	41
	8	" "	80
	2	" "	50
	9	" "	38
1,254	7	" "	50
1,142	6	" "	42
	1	" "	70
	8	" " snow plough	48
6,691	12	" " cars	12
	5	" " S. plough	35
1,611	15	" "	56
	8	" "	30
1,610	103	" "	50
	3	" "	55
	4	" "	48
1,146	2	" "	48
	2	" "	42
	8	Grate Castings for donkey engines	75
	4	Grate castings for donkey engines	90
	5	Tuyure castings	54
	5	Turntable centres	75
	2	Rubber brackets	54
	2	" "	84
1,117	9	Saddles	78
1,141	5	Housings	81
	2	Steam packing	82
	1	Cross Heads	80
	1	" "	165
1,095	1	Friction plate	37
	1	Valves	58
1,270	2	"	67
1,227	2	"	55
1,144	2	"	50
	5	"	60
1,694	4	Centre blocks	35
	2	Lamp brackets	85
	4	Piston heads	72
	2	" "	165
	3	" "	131
1,200	5	" "	224
	1	" "	213
	1	" "	180
	2	Draw bar castings	78
	3	" "	120
	8	" "	

RICHMOND STORE.—*Continued.*

No. of Patterns.	No. of Pieces.	DESCRIPTION.	Weight of each Piece.
			LBS.
1,161	1	Draw bar castings	42
	5	" "	62
1,613	22	" "	100
1,604	6	" "	124
	1	Pipe, 3-way	75
	1	" "	89
	2	" bend	76
	1	"	62
	1	"	139
	1	Engine buffers	120
	2	Piston rings	128
	2	Gear wheels	202
	2	" "	209
	1	Bolt machine	212
1,191	1	Housing or oil box engine	159
	4	" " "	96
1,107	4	" " "	70
	3	" " "	150
	3	" " "	160
	1	Tender casting	126
	3	Tender knees	78
1,167	6	Spring hangers	37
	5	" blocks	25
	1	4-Way pipe	87
	1	Buffer (2 pieces lot)	134
	6	Smoke stack pipe, large	50
	3	" " small	25
	1	Smoke stack casting	155
760	7	Spring seats	13
761	8	" "	20
1,643	1	" "	14
1,626	26	Top centres for cars	43
1,670	1	Casting	102
1,633	2	Spring plates	35
	8	Oil boxes	80
	65	Oil box covers	4
	12	Spring bracket hangers	37
1,257	9	Oil box covers	4
1,610	9	" "	4
	62	" "	4
1,657	59	" "	4
	40	" "	4
1,637	23	Ratchet wheels	5
1,660	137	" "	6
	18	Spring blocks	40
1,691	20	Lamp holders	3
	28	Brake wheels	15
	41	" "	23
	43	Pawls	1½
	15	Draw bar spring blocks	5
	17	Axle guards, A cars	3
	11	Spring washers, B	3
	5	Brake hanger brackets	1
1,703	6	Stay rests, D cars	4
	38	Seat knees, A cars	1
1,696	74	Chafing plates	6
	68	" "	5
1,659	11	Prunsen stay brackets	15
1,651	9	" " "	10
	15	Brake stand washers	2
1,695	2	Castings for A cars	8

RICHMOND STORE.—*Continued.*

No. of Patterns.	No. of Pieces.	DESCRIPTION.	Weight of each Piece.
			LBS.
636	40	Door slides	4
	38	Door slides	1
	4	Truss stay brackets, D cars	22
1,629	20	Rocking blocks	16
	9	" " bottoms	12
1,652	12	Bearing "	14
	3	Rocking "	21
	6	" "	7
1,696	58	Chafing plates	5
	30	" "	3
1,705	60	Brake rod brackets	3
	52	" " "	1½
1,697	17	Washers	2
	11	"	3
	1	" (lot)	582
1,675	47	Brake stand brackets	3
1,644	53	Bolster hanger brackets	4
	20	Spring washers	9
	80	Top plates, A Cars	5
	57	" "	6
	73	" "	5
	190	" "	5
	148	" "	6
1,873	52	Oil box doors	5
	19	Oil box doors	6
1,668	7	Bearing box	16
1,669	11	" block	7
1,614	21	Truck standard	14
	9	Hatch lever nuts	4
	7	Pulley blocks, A cars	3
	127	Picket holders	1
	31	Bracket (B stand bottom)	10
	11	" (B stand top)	3
1,648	15	Truck standard slides	3
	9	Spring washers	6
	4	Spring plates	2
	153	Washers	1
	9	Rocker stands	21
	29	Prausem stay brackets	5
	6	Brake screws	6
	20	Ratchet wheels	3½
	7	Spring Washers	17
	30	" "	8½
1,080	11	Tender brakes	24
	1	Throttle valve	13
	2	Planer casting	41
	30	Castings	½
	7	Oil cellars	12
1,168	6	" "	10
1,190	6	" "	13
1,124	14	" "	11
1,169	13	" "	13
1,163	3	" "	25
1,165	18	" "	30
1,616	2	Pieces stay brackets	23
1,247	18	Brake shoes	30
1,250	2	Castings	23
	20	Castings	11
	208	Thimbles	¼
	84	Pulleys	3¼
	52	Oil box doors	5

RICHMOND STORE.—*Continued.*

No. of Patterns.	No. of Pieces.	DESCRIPTION.	Weight of each Piece.
			LBS.
1,681	15	Brake stand holders	7
	2	Cast iron pipe	30
	1	" "	38
	1	Lot of thimbles	103
1,260	15	Brake shoe engine	18
	11	Signal post brackets	6
	22	Brake hanger brackets	3
	12	Rollers	7
	2	Pulleys, double	27
	3	" single	12
	2	" "	6
	1	" "	34
	3	" "	19
	4	Sand box covers	20
	3	" "	22
		ROAD STOCK.	
	186	T Rail slide chairs	24
	40	Fleming rail slide chairs	55
	24	" " "	57
	71	Wing rails	50
	11	Joint slide chairs	20
	12	Connecting chairs	65
	73	H Rail chairs	33
	100	T "	33
	8	H " crossing	70
	16	H " "	38
	11	H " " slide	70
	9	H " " "	48
	8	H " " "	50
	7	H " " joint	75
	6	H " joint chair	55
	46	H " " slide	44
	9	Switch frames, 2-throw	139
	6	" " 2 "	130
	10	" " 3 "	120

(Signed) J. R. FRASER,

STOREKEEPER,

HALIFAX STORE No. 2.

MONCTON STORE.

STATEMENT SHOWING THE NUMBER OF PIECES OF CASTINGS ON HAND.

No. of Patterns.	No. of Pieces.	DESCRIPTION.	Weight of each Piece.
			LBS.
1	82	Packing ring for Nos. 1 and 2 engines	12
10	12	Truck friction blocks for C. cars	9
11	15	" " "	19
12	4	Piston packing	28
16	16	Lamp bracket	2½
17	2	Rocker saddle	47
18	30	Axle box wedges	7
20	41	Hangers	2½
20½	33	Bracket	2½
21	1	Rocker grate seat	26
27	7	Coal grate for miss engines	60
30	20		3
34	5	Spindle caps	
35	8	Axle box covers	6
48	9	Front truck beam ends	38
49	3	Spring pocket, miss engines	51
50	7	Spring face, miss engines	30
53	7	Front oil caps, miss engines	5½
59	7	Patton's centre front truck beam	14
69	5	Springs for fare feeders	6
75	3	Drawing stowage box for Nos. 3 and 5 engines	14
80	3	Thimble for engines Nos. 3 and 5	15
82	3	Steam pipes for 31 and 32	248
84	2	Bracket for break spindle and cars	4
85	22	Washers for guard rail	2
87	2	Break rod Brackets	3
31	5	Draw bars for snow plows	70
81	4		
91	8	Cab cornice pieces for cab roof	80
95	1	Copying press	45
105	9	" "	18
167	36	Front truck thimble for miss engines	3½
121	1	Grate bar for brass furnace	7
115	16	Housings for old hand cars	4
178	13	Grate bar engines, 37 and 38	35
173	9	Piston follower	85
185	1	Tank valve	58
198	6	Goose neck engine, 30 and 38	16
155	2	Diamond smoke stack miss engine	116
106	15	Axle box for Harris cars	43
188	1	Horizontal steam pipe	232
103	4	Front truck thimble miss engines 40 and 66	12
187	1	Horizontal steam pipe	241
165	10		7

MONCTON STORE.—*Continued.*

No. of Patterns.	No. of Pieces.	DESCRIPTION.	Weight of each Piece.
			LBS.
151	4		
198	1	Goose neck for engines	16
201	16	Piston glands engines 32 to 36	5½
292	7	Miss rod seal	9
259	23	Railway waggon wheels	7
279	4	Side valve spring	8
295	2	Rayher spring seats	6
252	2	Cylinder cover front	70
265	1	Short double exhaust pipe	57
209	48	Washers for wood lathe	1
254	3	Front truck axle box	96
291	1	Drawing axle box wedge	7
278	2	Slide valve for engine No. 66	84
268	1	Air vessel engines 39 and 36	35
277	69	Cylinder flange fumes for shop tools	4½
207	48		2
290	2	Division rings for engines 1 and 12	60
305	43	Axle box for E. and N. A. R. cars	2
359	3	Battone centre for front truck engines 32 to 36	82
361	10	Spring rockers front truck	32
335	4	Front truck sponge box	12
327	5	Housings for hand larry	12½
363	12	Spring toe	11
325	4	Friction block for front truck miss engines	20
389	1	Front truck centre	40
399	5	Arch for iron cat miss engines	27
309	4	Front truck arch box No. 66, &c	66
365	4	Tender draw head	165
440	28	Front truck axle box cover	5
455	54	Trip seat for flat cars	27
445	5	Axle box cover for engine 39	3
469	4	Front truck sponge box for engine 40	12
467	2	Pistons for engine 39, &c	56
473	6	Front half of eccentric strap engine 30	53
497	2	Goose neck pump for engine 41	25
435	7	Long step for miss engines	25
400	30	Axle boxes for cars	44
405	3	Oil can seat for miss engines	5
447	5	Front truck axle box for engine No. 40	70
454	1	Pump air vessel	17
460	15	Axle box wedge for engine 66, &c	8
434	7	Step Thimble	2
413	2	Drawing sponge box	6
496	1	Pump air vessel	33
402	12	Sponge box for engine No. 7	18
530	4	Spring guide for front truck miss engines	26
588	11	Blocking hammer for coppersmith	24
538	16	Housings for spring box	10
536	4	Spring washer	28
261	1	Sand box cover	11
338	6	Branch pipe for tender trucks	11
503	11	Front drawhead for engines	20
546	1	Chuck for facing steam pipes	45
542	20	Draw bar brackets for A cars	19
545	1	Door step	26
573	47	Brake head lift	22
561	84	Brake head buck for Dubb's engine	12
574	227	Brake shoe	11
578	8	Spring seat, D. cars	52
544	1	Button centre castings, A cars	95
548	4		48

MONCTON STORE.—*Continued.*

No. of Patterns.	No. of Pieces.	DESCRIPTION.	Weight of each Piece.
			LBS.
540	4	Friction plates for A Cars	35
516	4	Plate wheel for baggage waggon	17
502	1	Draw plate front for tender	
504	1		
570	6	Axle box thimble	22
568	1	Feed Screw—Shop tools	16
518	1	Piston division ring, 37 and 38 engines	44
528	4	Piston follower engine 1 and 2	82
527	1	Piston for engines 1 and 2	110
607	6	Wheel for stationary hand barrows	11
604	23	Axle boxes for Scotch tenders and cars	80
694	129	Break shoe for cars	11
369	3	Lathe cruck for American lathe	12
695	7	Spring manger washer, engine No. 41	3
672	5	Friction plate for Portland cars	24
692	24	Ratchet for brake for D cars	6
690	14	Brake ratchet covers, D cars	3
663	102	Door slide for C cars	4
680	54	Bolster friction plate, C cars	6
682	24	Spring seat, C cars	6
689	16	Bracket for break screw, C cars	11
632	4		
658	2	Steam chest outside cover, Dubb's engine	78
698	50	Spring seat, C cars (new pattern)	10
691	20	Brake screw bracket	14
625	205	Brake head, N.S. cars	17
673	66	Male centres for C cars	40
674	54	Female centres for C cars	28
687	94	Car box covers	½
617	4		141
697	4	Short steam pipe for engine 41, &c	16
631	74	Washer	2½
636	57	Truss seat for D cars	4
678	38	Spring bolster for C cars	13
601	4	Drawing axle box	85
661	7	Rack for snow plough	11
605	17	Sponge box	19
618	10		
759	21	Housing for first class cars	106
762	2	Front truck axle box	60
702	101	Truss seat for old D cars	3
751	1	For blacksmith shop	20
741	6	Draw bars	107
756	2	Cylinder cover for No. 20	146
729	14	Bracket for front of track spring, D cars	31
713	1	Furnace door	26
739	2	Bench for valve ch mber	20
733	2	Sponge box for engine No. 7	16
784	20		
744	3	Ring for smoke stacks, engines 3 and 5, &c	31
716	11	Centre for new D cars	72
715	7	Centre for new D cars	57
725	59	Axle box wedge	6
721	2	Housings	152
706	10	Steam pipe for No. 41	90
745	45	Washers for D cars	2
747	1	Eccentric strap front, shaft engine 66	42
1064	1		75
1702	4	Miss castings from Nova Scotia	20
1603	3		10
1617	1	Miss castings from Nova Scotia	21

MONCTON STORE.—*Continued.*

No. of Patterns.	No. of Pieces.	DESCRIPTION	Weight of each Piece.
			LBS.
1190	3	Miss castings from Nova Scotia	16
1310	9		45
722	9	Buffer bars	55
45	3		
411	2	Piston packing engine, No. 41	35
162	24	Stake packet for flat cars	17
249	3	Tralby wheels for track	90
203	9	Front truck thimble, No. 66, &c.	6
56	18	Switch step for track	5
767	2	Cylinder back, No. 66, &c	246
779	2	Spring washer	19
780	2	Spring link	33
778	2	Strainers for tender engines 41, &c.	13
99	28	Square washer ventilator for A cars	1½
135	3	Spare wheels for hand cars	26
784	4	Sponge box drawing axle, engine 41, &c	26½
78	1	Throttle gland for Cars No. 20	20
237	2	Rocker seat for iron truck	32
785	3	Pump gland, engine No. 66	11
786	1	Tender draw bar, No. 66	[illegible]
641	95	Swinging bannister, plate bars and tender	5¾
60	4	Axle box for tenders 30 to 36	
679	26	Swinging bolster	5½
790	3	Casting for plate bar lever, engine 66, &c.	4½
108	4	Bust for hawsing for house cars	2½
793	1	Bracket for travelling train on track	115
792	68	Axle box wedge for flat cars	4
323	1	Patch for travelling crane on track	81
798	157		½
808	1	Bottom for smoke stack, engine 66	65
803	1	Arch for copy press for office	28
796	1	Branch for testing patent valve chapase	23
606	4	Thimble for Dubb's engine	14
255	12	Oil caps for eccentric straps	¾

(Signed) D. PATTINGER,

General Storekeeper.

This list does not include the castings saved from Shediac fire, weighing.... 22,311 lbs.
Nor castings without any number, weighing..... 16,600 "

32,911

(Signed) D. P.

RICHMOND STORE.

STATEMENT shewing the Number of Bars of each size of Refined and Lowmoor Iron.

Flat Refined.		Half Round Refined.		Round Refined.		Square Refined.		Total Lowmoor.		Round Lowmoor.		Square Lowmoor.	
Inches.		Inches.		Inches				Inches.		Inches		Inches.	
3½ × 1	9	1¼ " ⅞	7	⅞	41	¾	8	2 × ½	10	2	6	1½	3
4 " ¾	9	⅜ " ¾	6	⅜	38	⅝	49	1½ " ½	11	1⅝	11	3	1
1¼ " ⅝	6	½ " ¼	10	2	4	⅜	200	2 " ¾	3	2½	5	2	1
2 " 1	7	*3½ " ⅜	5	2½	1	1	4	2 " ⅝	8	2⅛	5	1¾	2
1½ " ¾	2	..	...	1¾	6	⅞	6	2 " ¾	8	1½	22	..	..
4 " 1	1	..	..	2½	4	2¼	1	3 "1¼	7	1	15	..	..
1¼ " ⅜	9	...	..	..	...	1½	3	3 " ¼	5	1¼	21	..	..
2 " ⅜	37	..	..	...	..	..	..	....	..	1 1-16	18	..	..
2 " ¾	17	..	...	..	...	..	..	....	..	1¼	20	..	..
2 " ½	9	..	..	..	..	..	..	....	..	⅞	11	..	..
1¼ " ¼	16	..	..	..	..	..	..	....	..	⅝	7	..	..
1½ " ¼	16	..	...	..	...	..	..	....	..	⅜	10	..	..
2 " ¼	5	...	..	..	..	..	..	....	..	¾	7	..	..
1½ " ⅝	3	..	..	..	....	..	..	....	..	..	..	..	..
7 " ⅜	3	..	..	...	..	..	..	....	..	..	..	..	..
1½ × ⅜	4	..	...	...	...	..	..	....	..	..	..	..	..
3 " ⅜	5	..	..	..	..	..	..	....	..	..	..	..	..
8 " ¼	4	..	..	..	..	..	..	....	..	..	..	..	..
8 " ¾	4	..	..	..	..	.	..	....	..	..	..	..	..
5 " ½	7	..	..	..	..	..	..	....	..	..	..	..	..
4⅞ " 1	2	...	..	..	..	..	..	....	..	..	..	..	..
7 " ¼	2	...	..	..	..	..	..	....	..	..	..	..	..
3 " ½	4	..	..	..	..	..	..	....	..	..	..	..	..
1½ " ⅞	2	..	..	..	...	..	..	....	..	..	..	..	..
3 " ⅝	15	..	...	..	..	..	..	....	..	..	..	..	..
3 " ¾	4	..	...	..	..	..	..	....	..	..	..	..	..
1 " ½	9	..	..	..	..	..	..	....	..	..	..	..	..
4 "2½	1	..	..	..	..	..	..	....	..	..	..	..	..
3 " 1	2	...	..	..	..	..	...	....	..	..	..	..	..
5 " 1	2	..	...	..	..	..	..	....	..	..	..	..	..
Total	216	Total	28	Total	94	Total	271	Total	52	Total	158	Total	7

* Bevelled.

MONCTON STORE.

STATEMENT shewing the Number of Bars of each Size of Refined and Lowmoor Iron.

Flat Refined		Round Refined.		Square Refined.		Lowmoor Round.	
Inches.		Inches.		Inches.		Inches.	
7 × 1¼	6	⅜	34	⅜	46	½	5
7 " ½	1	¼ 5/16	400	½	63	⅝	90
7 " ⅝	5	7/16	134	⅝	35	¾	191
6 " ½	11	½	19	⅝	62	1	52
6 " ⅝	6	⅝	35	¾	25	1⅛	14
6 " 1	6	¾	83	1	1	1¼	15
6 " ⅜	2	1¼	8	1¼	2	1½	13
5 " ¾	1	1½	30	1½	6	1¾	36
4½ " ⅝	16	1¾	66	2¼	7	2½	5
4 " ½	20	2	4	..	..	..	..
4 " 2 ⅞	11	2¼	1	..	..	..	..
4 " ⅞		2½	2	..	..	..	..
4 " 1 ¾		3	2	..	..	..	..
4 " ¾		..	..	..	..	..	..
3¼ " 1	8	..	..	..	..	..	..
3 " 1¼	6	..	..	..	..	..	..
3 " ⅞	6	..	..	..	..	..	..
3 " ¼	5	..	..	..	..	..	..
3 " 3/16	13	..	..	..	..	..	..
3 " ⅜	2	..	..	..	..	..	..
3½ " ½	4	..	..	..	..	..	..
3 " ⅝	3	..	..	..	..	..	..
3½ " ⅞	21	..	..	..	..	..	..
3½ " 1	22	..	..	..	..	..	..
3½ " ¾	3	..	..	..	..	..	..
2 " ¼	12	..	..	..	..	..	..
2¾ " ¼	37	..	..	..	..	..	..
2½ " ⅝	8	..	..	..	..	..	..
2½ " ⅞	10	..	..	..	..	..	..
2 " ⅜	51	..	..	..	..	..	..
2 " ⅝	12	..	..	..	..	..	..
2 " ⅞	9	..	..	..	..	..	..
2¼ " ½	1	..	..	..	..	..	..
2¼ " ⅞	1	..	..	..	..	..	..
1 " ⅜	13	..	..	..	..	..	..
1½ " ⅜	35	..	..	..	..	..	..
1⅜ " ⅜	9	..	..	..	..	..	..
1¼ " ⅜	6	..	..	..	..	..	..
1¼ " ½	60	..	..	..	..	..	..
1¼ " ⅝	30	..	..	..	..	..	..
1¼ " ¾	1	..	..	..	..	..	..
⅞ " ⅞	25	..	..	..	..	..	..
1 " 1	33	..	..	..	..	..	..
1½ " ½	94	..	..	..	..	..	..
1½ " ⅝	3	..	..	..	..	..	..
1½ " ¾	5	..	..	..	..	..	..
1¼ " ¼	14	..	..	..	..	..	..
1¼ " ½	90	..	..	..	..	..	..
2½ " ⅝	68	..	..	..	..	..	..
2 " 1	15	..	..	..	..	..	..
2 " ¾	18	..	..	..	..	..	..
	1	..	..	..	..	..	..
Total	850	Total	818	Total	247	Total	415

MR. BRYDGES' REPLY.

8 W
16 [illegible].

MR. BRYDGES' REPLY.

RAILWAY DEPARTMENT,

Montreal, 31st October, 1874.

SIR,

I beg to acknowledge the receipt of Mr. Carvell's report, dated the 3rd instant, with reference to the two reports which I addressed to you, dated respectively the 20th June and 18th August last, in regard to my examination into the affairs of the Government Railways in New Brunswick and Nova Scotia.

I wish it to be understood that in making the investigation which I was instructed to do, my only desire was to set forth the facts exactly as I found them to exist, and as far as possible leave you to draw your own inferences from those facts. I have endeavored to carry out the instructions given to me, with no other object but to see how far it was possible to save the public money, which undoubtedly had been expended on those railways during the last two years in a very liberal way indeed.

When I found that in the two years ending the 30th June, 1874, there had been expended upon about 350 miles of railway not less than $1,834,736 beyond the receipts, it appeared to me that it was necessary to probe with great earnestness the causes of such a very large outlay, in order to see if it were not possible to devise means which would save a recurrence ot such a very heavy outlay.

In regard to some of the officers of the railway, I felt compelled to speak in plain terms. As regards Mr. Carvell, I carefully avoided expressing any opinion whatever.

In the early pages of Mr. Carvell's report to you of the 3rd instant, he points out that the amalgamation of the two separate portions of the railways, the one in New Brunswick and the other in Nova Scotia, with the new piece of line which brought them together, was a work of considerable difficulty, and accounted for many of the irregularities which he does not dispute existed when I made my investigation. It is also true that Mr. Carvell was from ill health incapacitated from taking an active part in the working of the railway, thus amalgamated, from about the end of December, 1872, until the month of June, 1873. During that time the railway was under the charge of

Mr. George Taylor, the Assistant Superintendent and General Freight Agent, and of course it would be unfair to make Mr. Carvell responsible for what occurred during the time that his absence was enforced by ill health.

I have no doubt you will give, fairly and properly, whatever consideration is due to the circumstances under which the railway, so amalgamated, was brought into operation, and for the period of time that Mr. Carvell was absent owing to ill health.

I notice also that Mr. Carvell makes very pointed reference indeed to the difficulties he had to contend with, owing to the fact of the staff being appointed, not on account of their fitness for the duties they had to perform, but for political reasons, rendering to a large extent his control over them inefficient, and not as absolute as it ought to have been.

There can be no doubt whatever, as I stated in my report of the 20th June last, that this has been a very fruitful source of the difficulties under which the railway has labored, and I have no doubt that Mr. Carvell's administration is entitled to considerable consideration, from the fact that many of the appointments, especially of the principal officers, were made absolutely for political reasons, and that they were kept in their places, notwithstanding their very notorious inefficiency, because of the political influence which they were able to bring to bear. All these considerations are undoubtedly forcible, in estimating the result of Mr. Carvell's management, and I have no doubt you will take them fairly and properly into consideration.

It of course, however, remains a question to be considered, whether when the change of Government took place, now about a year ago, it would not have been wise in Mr. Carvell, to have called your attention to the fact (knowing how largely all questions regarding the working of these railways had been the subject of discussion in Parliament last session) that he was hampered in carrying on the business entrusted to him, by these political appointments, and enquiring whether or not he was to be guided in future, olely by political considerations, in the appointment or retaining of his staff, or whether he was to be guided by considerations of the public interest alone. Mr. Carvell appears to think that he was not called upon to raise this question, unless he was called upon for a report upon it. It is for you to consider whether this was the correct view to be taken by an officer in charge of a very important department of the public service, involving large outlays of public money.

Mr. Carvell takes exception to the statement which I made in my report that he had "supreme authority" over everything connected with the working of the railway, and that his instructions and directions were implicitly obeyed by all the officers of the line. Undoubtedly this is the position which Mr. Carvell ought to occupy, so long as he is retained in the position which he now fills. If he felt that he was not occupying the position, with the powers necessary to carry it into effect, it appears to me that it was pre-eminently his duty, especially when a change of Government had taken place, to

have called attention to the fact that he could not be held responsible for proceedings which he was not able properly to direct, and if he had done so, doubtless many of the difficulties and want of accuracy, which I found upon my first visit to the Lower Provinces, would have been remedied.

In regard to the great majority of matters contained in my report, Mr. Carvell is silent, and I think I may say, both from that fact, and from statements which he has verbally made to me, that he is of opinion that the changes which have been made are not only judicious, but that they were absolutely necessary, if the railway is to be worked upon economical and commercial principles.

In fact the whole question may be briefly summed up by the following statements, which Mr. Carvell makes with reference to the St. John Station, the condition of which I found to be so extremely unsatisfactory :—

He says, at page 13 of his report : "The difficulties at St. John station arose altogether out of political causes." And further, he says : "Because Mr. Pick, the freight "agent, was believed to hold a high position in a society, supposed to have great political "influence, his assistance was sought, naturally enough, by all parties seeking Parliamentary honors."

This is really the only explanation which Mr. Carvell is able to give of the condition in which matters were found to exist at St. John and other places, and I submit that it is conclusive proof of the soundness of the opinion which I ventured to express, that the Intercolonial Railway can never be satisfactorily worked if it is allowed to be made the foot-ball of politicians, and all appointments made solely for political reasons.

Mr. Carvell states in regard to the ordering of stores, that he had no alternative, up to the time that I made my investigation, except to order stores upon the requisition of the heads of departments, comparatively speaking, "in the dark." He states that "the "store keeper had no knowledge of the business which he had to execute, had not suffi "cient force of character in himself, and was surrounded by men in the stores department "who were inefficient and incapable." Mr. Carvell further states that, in regard to the ordering of stores, the check ledger at Moncton was irregularly and badly kept, whilst the one at Halifax had not been written up at all, because the duty of doing so had been assigned to inefficient and careless men. No wonder that under such a state of affairs there was an absence of all system in ordering stores, and an entire absence of any check whatever as to the quantities that were ordered, and the prices that were being paid.

In point of fact, Mr. Carvell's report to you of the 3rd instant does not do more than attempt to extenuate the condition of things which I described, and he has practically confined his remarks to three points, which I shall now proceed to discuss in detail. These three points are :

First.—The purchase of steel rails for the year 1873-4.

Second.—The question of the purchases of fuel, and the deficiency which has been found to exist.

Third.—A general statement in regard to the stores.

RAILS.

With reference to the first point, the question of the purchases of steel rails, I have read, with very great care and attention, what Mr. Carvell has stated upon this subject, and the letters which he has received from Messrs. Haws & Son, and from the brokers employed by them in Liverpool.

I regret to say that, having very carefully considered these statements, I am entirely unable to alter the opinion which I expressed to you in my report of the 20th June last.

Mr. Carvell states that 500 tons were ordered for the year 1873 in July, 1872, and were placed in the fall of that year at £16 12s a ton. These rails, however, were not shipped until the spring of 1873, in which year they were laid in the track. A further 2,000 tons, laid in the track in the year 1873, were purchased in Liverpool in the early part of 1873, at the price of £17 a ton.

The letters which Mr. Carvell quotes, in regard to these rail purchases, very correctly that the market at the early part of 1873 was in an excited stat . . that several makers of steel rails in England were full of orders, and therefore were quoting prices which they knew would render it out of the power of any purchaser to close with them ; the fact being that their works were employed to their utmost capacity, and they were not, therefore, in a position to accept orders. Market quotations and printed circulars, under such circumstances, are of no value whatever in setting the price at which rail purchases could have been made.

I stated, you will recollect, in my report of the 20th June, that the Grand Trunk Company had purchased the additional quantity of rails they required for the year 1873, from the Barrow Company, at the price of £16 a ton, f. o. b. in England.

Mr. Carvell says that the Grand Trunk Company "doubtless gave this Barrow "firm extensive orders from time to time, and being so good a customer, was naturally "in a position to get better terms than smaller buyers." Mr. Carvell is perfectly correct in what he states, but it happens, as a matter of fact, that the Government of Canada were in precisely the same position, in the beginning of the year 1873, as the Grand Trunk Company.

The facts are these :—

The Grand Trunk Company had a contract with the Barrow Company for the supplying of 42,000 tons of rails, the delivery of which was to be completed by the end

of the year 1874. The Government of Canada had also a contract with the Barrow Company for the delivery of 32,000 tons of steel rails for the Intercolonial Railway, which contract was commenced to be delivered in 1872, and has not yet been completed. Both the Government of Canada, and the Grand Trunk Company were therefore large buyers from the Barrow Company, and I speak advisedly when I say that the Barrow Company were prepared to supply the Government of Canada in the year 1873 with any additional rails they required, on quite as favorable terms as they actually supplied the additional rails required by the Grand Trunk Company.

I have no doubt, therefore, that it was quite possible and open to the Government, to have procured the rails they required for the year 1873, at the rate paid by the Grand Trunk Company, viz., £16 sterling a ton.

The Barrow Company, on being applied to by a broker in Liverpool, were obviously not ready to sell to him, when they were designedly keeping their capacity for the large buyers who had already heavy contracts with them.

I have no doubt, besides, that other Companies in England, who did not happen to be entirely full of orders, and who were therefore not quoting prices which they knew would not be accepted, would have been prepared to have dealt with the Government of Canada, for the rails they required, upon more advantageous terms than the rails were actually purchased for by Messrs. Haws & Co., as it must be clear that the Barrow Company in quoting £16 to the Grand Trunk were not going below the then fair market price.

I observe that no attempt is made to explain the payment of £30 a ton for bolts and nuts in 1873, when the Grand Trunk Company were only paying £24 for precisely similar articles.

In regard to the purchases for the year 1874, the circumstances I think require to be detailed. The order for these rails, 3,750 tons in all, was given by Mr. Carvell according to the statement contained in his report, part in December, 1873, and part in January, 1874—the December lot being placed at £15 10s. a ton, and the January lot at £15 15s. I need hardly remind you that the change of Government had taken place in the month of October, 1873, and the rails, therefore, for 1874, were ordered after the Government, which is now in power, came into office, and it appears to me it would at least have been judicious if Mr. Carvell, before ordering the 3,750 tons of rails, which have cost upwards of $300,000, had asked the Government, which had just come into office, if they had any directions to give, as to the issuing of so large an order, involving so heavy an expenditure of the public money.

I need hardly remind you that when, in the month of May this year, I went down to New Brunswick, I asked you if any orders had been given for rails that would be required this year for the railway, and you informed me that no orders, so far as the

department at Ottawa was aware, had been given, and requested me to look into this matter, and advise what had better be done in order to supply the rails that were required. It turned out, however, as soon as I made enquiries upon the subject, that although the rails were not required to be delivered on the line until after June, 1874, the order for them had been given as far back as the months of December and January previously.

There is no doubt whatever that at the close of 1873, and the beginning of 1874, the steel rail market in England, was well known to be in a declining condition, and no prudent man would buy rails at that time, unless he actually wanted them for immediate delivery.

This was well known to all those who were buyers of rails, and I doubt if any other railway on this continent, at that time, made contracts for rail deliveries seven and eight months in advance of the actual time when they wanted to use them.

The Grand Trunk Company contracted with the Barrow Company in the month of January last, to ship all the extra rails required during the year 1874, at £14 10s., f.o.b. in England, and a few weeks later the Barrow Company quoted to me for 3,000 tons which were required for the Intercolonial Railway, beyond their existing contract, the price of £14 a ton, f. o. b., in England, or £15 10s, delivered in St. John.

Before I went to New Brunswick, in the month of May, I placed myself in communication with parties in New York, and found that I could have purchased English-made steel rails in bond, which had been lying there since the panic of last year, delivered in St. John, N. B., at about £14 sterling per ton. In the month of June last, I was also offered for immediate delivery by steamer from England, rails at Halifax or St. John at £14 a ton, and in August last I was offered rails made by the firm of Charles Cornwell & Co., for immediate delivery in Halifax or St. John, at £13 a ton.

I give here the dates of the actual delivery of the rails which have been supplied under the orders given to Messrs. Haws & Co., for the rails of this year. The delivery has been as follows:—

At Halifax:	Tons.	
On 20th June	204	
" 25th August	500	
" 5th October	1,055	
	——	1,759

At St. John:	Tons.	
On 10th August	604	
" " September	745	
	——	1,349

This leaves 410 tons still to arrive, the vessel containing them having sailed from England about the middle of September.

Practically, therefore, all the rails (except 200 tons) were delivered after the middle of August.

If the rails had been ordered when I first went down to New Brunswick they could all have been delivered by the middle of September at a price not exceeding £14 a ton.

I have asked Mr. Carvell to send me the original invoices for these rails from the English makers, but he, to my surprise, says that he has never received them.

I can only say in conclusion upon this question, that, having given it the most careful consideration, with a desire to treat the matter in the fairest possible way, I entertain no doubt whatever that the arrangements which were made for the purchase of the steel rails required in 1873 and 1874 resulted in an absolute loss to the country of not less than £10,000 sterling.

COAL.

The next point that Mr. Carvell refers to in any detail is the question of the supply of coal, and I confess I am a good deal surprised at some of the statements which Mr. Carvell makes upon that question.

When I was in the Lower Provinces in May last Mr. Carvell himself informed me that he was paying the Spring Hill Co. $3.75 a ton and the Acadia Co. $3.25 a ton for coal delivered at the pit's mouth. I subsequently directed that a return of the total amount of coal purchased for the year between the 1st of July, 1873, and the 30th June, 1874, should be made out, and that return showed that 845 chaldrons and 21,827 tons of coal were purchased at a total cost of $84,787.04, which makes the average price paid during the whole of that year, apart from any question of cost of carriage, rather more than $3.73 per ton. In examining that statement I find that some coal, in small lots, appears to have been purchased at high prices. The highest price paid to the Spring Hill Co. is $4.25 a ton, and the highest price paid to the coal companies at Pictou is put down at $4 a ton.

How this statement, which was sent to me by Mr. Carvell himself, and which bears his initials, and is dated 28th August last, can be reconciled with the statement he makes in his letter to you of the 3rd instant, I confess I am unable to understand. I am the more surprised at it from the fact that on the 24th June, after my first visit to Nova Scotia, and after my first report to you had been sent in, I received a telegraphic message from him, asking me if I had been able to arrange terms for the supply of coal, as the Pictou mines were acting unfairly in persisting in charging higher prices than they were shipping it at Pictou. I can quite understand that after contracts were entered into some of the parties who had not obtained contracts, because at the time they would not

make tenders upon satisfactory terms, expressed then a readiness to lower their prices, not, of course, with the hope of getting any of the supply, but in the expectation that the quotation would create embarrassment.

The price at which the coal for this year is being supplied is $2.35 a ton both at Spring Hill and at Pictou.

Provided the quantity purchased during this year is the same as it was during the year ending 30th June, 1874, viz: 22,727 tons, the whole cost will be $53,408.45, thus effecting a saving of $31,378.59 as compared with last year.

It will thus be seen that the facts show that the average price paid during last year was $3.73 a ton, that the coal which was being delivered in the month of May last, was paid for at the rate of $3.25 at Pictou, and $3.75 at Spring Hill, and that the saving which will be effected in this year's supply, if the quantity used is the same, by the contracts which have been entered into, will amount to no less than $31,378.59.

Whilst I am upon the question of fuel, I may as well refer to that part of Mr. Carvell's report, which deals with the matters to which I have previously referred.

Mr. Carvell says at page 59 of his report, that I make it appear that 4,800 cords of wood had been purchased at a cost of $6.40 a cord. If you will refer to my report of August last, you will see that I stated that there were 4,800 cords of wood on hand, standing in the books, at an aggregate value which produced an average of $6.40 a cord. If, as it now appears, that wood was purchased at prices ranging between $2.65 and $4.50 a cord, it seems most incomprehensible how it can now be standing in the books at the very high price of $6.40 a cord, which however, unfortunately is the fact. The average cost of this wood, Mr. Carvell says, was $3.57½ per cord. It in part remains where it was delivered alongside the track, and has still to be cut up and moved. It is desirable then to ascertain how such an extra charge as $2.82½ a cord beyond its first cost has been incurred. The statement which I made that some of this wood was upon the Nova Scotia Railway, and had been a considerable time in stock, was stated to me by Mr. Carvell himself, and it was upon his authority that I made the statement. As I have already advised you, I gave directions that this wood shall as quickly as possible be used up, and I shall be surprised, if when it is got rid of, it does not prove that there is a deficiency in that item.

Mr. Carvell then refers to the deficiency which I reported had been found to exist in clearing some stations from coal, which had been for some time on hand, and which necessitated an entry amounting to not less than $11,789 85 being charged to locomotives there being no knowledge whatever as to how that quantity had been actually consumed. I have now before me the statement which was handed to me by the accountant at

Moncton, and which is headed "Statement of Deficiency and Surplus of Coal at Stations, &c.," shewing a balance chargeable to the Mechanical Department of 78,599 bushels, carried into the books at a cost of $11,789 85.

This account Mr. Carvell saw at the same time that I did. He was unable to offer at that time any explanation of it whatever, and directed it to be carried to the debit of the Mechanical Department, and to that extent, therefore, swelled the cost at which that department had been worked during the year.

Mr. Carvell promised that he would make enquiry into the matter and let me know the result of his enquiries.

Not getting any explanation, I wrote to him on the 20th August, 1874, saying that the account was entirely incomprehensible, and that I must request some explanation, as the matter could not rest in the shape in which it then was.

On the 29th August, Mr. Carvell wrote me an explanation, a copy of which I enclosed to you almost as soon as it reached me, in a letter dated the 7th September.

As my report to you was dated on the 18th August, and his explanation upon this subject was only dated at Moncton on the 29th August, it is difficult to see how my report could have shown the explanation which he gave to me. But as I have already said, as soon as I received it, I forwarded a copy of it in full to you.

I confess that, having carefully considered the explanation which he has made, it does not explain the matter in a way which is satisfactory. In my report of the 18th August, I stated that the deficiency could only have arisen from one of two causes—either gross carelessness in the system of charging out the coal, or that more coal had been paid for than had been received. Mr. Carvell accepts the first as the proper explanation, and admits that there had been gross carelessness in the mode of charging out this coal. But, I should like to know how it is possible that a system so wrong, and which produced such disastrous results, could have gone on for a considerable length of time without being detected. It certainly is not a difficult matter to ascertain by actual weighing how much a bushel of coal weighs, and therefore how many bushels there are to a ton. If the system of charging out by the bushel has been so wrong as Mr. Carvell now explains it to have been, it would certainly seem that this must have exhibited itself in deficiency from year to year.

But in the statement I have referred to, some stations are shown to have large deficiencies, whilst some show a surplus amounting to, in one case, no less than 1,432 bushels, whilst St. John shows a deficiency of no less than 65,941 bushels. If such an error as charging out too few bushels to represent a ton is the explanation of this account, how could there possibly be a surplus anywhere?

If such deficiencies did not previously exist, it is difficult to understand why they should have come into play at this particular period.

I am inclined to think that the explanation is not yet satisfactory, because Mr. Carvell himself told me that having enquired into the matter, he found, upon weighing some of the coal received from the mines that it turned out to be less than the invoices called for—the bulk of the deficiency being at St. John.

But the statement requiring a special debit of $11,789 shows that there was an actual surplus at nine stations, and deficiencies at seven others, the largest deficiency being at St. John, where it was no less than 65,491 bushels.

Under any circumstances it is clear that there was not proper supervision and arrangement in regard to the charging out of the coal, as with a proper system no such state of things could exist, as was found to be the case when the books were made up on 30th June, 1874.

STORES.

The third point to which Mr. Carvell specially referred is that relating to the stores. Mr. Carvell frankly admits that the affairs of that department were not in as satisfactory a condition as he could have desired, and that, "in some cases the stock of material "was in excess of the requirements." Mr. Carvell endeavors to account for this in part by the difficulty arising out of the amalgamation of the lines in November, 1872, and from his absence from ill health up to June, 1873. I have no doubt that fair consideration is due on these two points, but surely there was time in the twelve months ended 30th June, 1874, to have applied such remedies as were obviously necessary to correct the abuses which Mr. Carvell admits undoubtedly existed. If those irregularities and abuses could not be checked and controlled in the twelve months which elapsed after Mr. Carvell's return to his duties, it is a question for serious consideration as to when they would have been brought into a proper and satisfactory condition—it being borne in mind that all the time that these most serious irregularities were continuing, not only was there a very much larger stock of stores being purchased than was necessary, but the prices were in many cases greatly in excess of the fair current market rates at the time.

Mr. Carvell endeavors to explain why there was so large a stock of iron castings and bar iron on hand, by referring to the different descriptions of engines upon the lines which required a much larger stock than would have been necessary if the engines had all been of one pattern.

This to a certain extent is of course true, and in my report of the 20th June last, I strongly recommended, in regard to castings, that they should be obtained from foundries in the immediate neighborhood of where the works were situated, which to a large extent would obviate the necessity of maintaining so large a stock on hand. The officers of the

railway have under their control the patterns for the making of those castings, and they have close at hand a foundry, from which they can get, within two or three days at the outside, the castings they require, and thus avoid the keeping of so large a stock on hand.

But apart from this, there is no doubt whatever that the stock in hand has been unduly large, and is so at the present time. Mr. Carvell, in fact, himself, gives the best evidence of how easy it is to reduce the stock when the proper means are taken to do so, because at page 48 of his report he gives a list of certain prominent items, both at Moncton and Richmond, showing what was the stock at the 30th June, 1874, and what it was at the 30th September, 1874, three months afterwards. In all the cases which he gives there has been, with trifling exceptions, a reduction in the stores.

If this has been done in the three months, after my investigation was made, it is obvious that it could as easily have been done before as afterwards, if the same measures which I put in force had been adopted by Mr. Carvell himself.

The stock of stores on the 30th June, 1874, amounted to $381,757.49; on the 30th June, 1873, it was $350,235.25, or an increase of $31,522.24.

The fact is thus apparent that during the year after Mr. Carvell's return to his duties, notwithstanding that, as he says, he "was endeavoring to apply remedies to "undoubted abuses," the stock of stores increased to $31,522.24, whilst in the next three months, after I had made my investigation and instructed him to take certain measures in order to reduce the stock of stores, they began at once to fall.

Certainly the adoption of the same rules and principles which I have laid down for the guidance of the stores department, if applied before, would have produced the same results which in the three months have shown themselves from the plans which I put in force.

In regard to the importation of iron required by the railway, I certainly can see no reason why there should ever be more than about two months' stock of anything on hand.

Both at Halifax and St. John there are large hardware establishments which have on hand such goods as the railway requires.

If they should at any time run out of particular sizes of iron they can get them either from Montreal or Quebec, or the States, or if necessary, by using the cable from England, there being fortnightly steamers both to St. John and Halifax from Liverpool.

But it is quite certain that if the hardware dealers, both in Halifax and St. John are aware that they will have a fair chance, at proper prices, of supplying the railway with what it requires from time to time, these firms will always, in their own interests,

be found to have on hand whatever the railway may require, so that I am quite right in saying that a two months' supply of anything on hand is amply sufficient for the railway to keep.

Mr. Carvell then refers to the account rendered by Fraser, Reynolds & Co. for springs, and I must, therefore, say a few words upon that subject.

Mr. Carvell states that when he saw the account for these springs amongst those sent in by Fraser, Reynolds & Co. he objected to it, partly on the ground that the price was very much too high. The reply he got from them was that they had paid a very high price for the springs. Mr. Carvell still objecting to the price, they said they would make out the account at the prices which they paid for the springs, and charge all the expenses attending the springs, including five per cent commission. They did send in an account in this shape, which Mr. Carvell paid. Mr. Carvell further goes on to say that "as Fraser, Reynolds & Co., held our order and were not limited to price, I did not "see any other course to pursue."

I have already stated that the price charged for these springs averaged 21½ cents per lb., which I say advisedly was more than double the fair market value of the springs at the date at which they were supplied.

Sound

Either the officers of the railway knew the fair value of the articles they were purchasing or they did not. If they did know what the fair value was, certainly they were not doing their duty in paying fully double what that fair market value was, and I am bound to add that if they did not know what the fair market value was, they were not fit to occupy the positions which they held. I cannot for a moment admit that, because an order is given to any firm, and they are not limited at the time of the order to the price which they are to charge, therefore they are at liberty to charge whatever prices they please, no matter if those prices are fully double the market rate current at the time. I shall not refer more specifically to the accounts of Messrs. Frazer, Reynold's & Co., because I have fully reported all the facts to you, but I think it right to add that having had the whole of their accounts under investigation, I find that the total amount paid to them for the fourteen months ended December, 1873, including the springs now referred to, amounted to the sum of $86,212.05.

I think it also right before leaving the question of the stores, to call your attention to the statement made by Mr. Carvell at page 53 of his report, upon the subject of prices. He states that in regard to the purchase of stores in New Brunswick, it had been the rule to purchase them in the cheapest market, but that in Nova Scotia, the practice has been quite different.

He says: "There the principle has been enforced for years, that in some important

"matters at least, 'to the victors belong the spoils," so that when Governments have "changed it has been generally expected that the supplying of stores and the printing "would be handed over from one party to the other."

This statement requires no comment, but it is very startling indeed to find that in Canada a practice so demoralizing, and one calculated to be so injurious in regard to outlays for the public service, should be boldly stated as having been practiced for a considerable length of time. No doubt Mr. Carvell does not make this statement without proper authority, and he must have received instructions from time to time, in regard to the carrying out of so disastrous a course of conduct.

It would be interesting to know the precise terms in which such instructions were given, but I need hardly submit to you that the earliest and most emphatic move ought to be adopted, in order to let it be clearly understood that this very improper practice will not for a single instant be any longer tolerated.

I think it only necessary to say further, in regard to the question of stores, that Mr. Carvell at page 59 of his report says: "I have no doubt ultimately that the stock will "not exceed from $200,000 to $250,000, which may be taken of the working capital of "railway."

If that is Mr. Carvell's opinion, and beyond all question the lower figure of the two amounts, is the correct one, I should like to know why having had supreme authority in this matter, he allowed the stock of stores at the 30th June, 1874, to stand at no less than the sum of $381,757.49?

I do not think it is necessary to occupy your time with any further observations upon Mr. Carvell's report. I have not treated it in precisely the order in which the statements appear in his letter, but have dealt with these circumstances in such convenient form as will most readily bring all the facts before you.

I regret that I have been compelled to speak in plain terms in regard to several of the points to which Mr. Carvell's report refers.

I hope I need not assure you that my sole desire has been to put the whole matter before you in such a shape that a remedy might be applied to irregularities of the most serious kind.

I am quite persuaded, that by proper management and careful supervision, the railways in the Lower Provinces as they now exist can be worked (after everything has been got into proper order, and high-priced stores have been all consumed) without involving a loss to the public Treasury.

Entertaining that opinion as strongly as I do, I should have been wanting in my duty if I failed to speak plainly upon all matters where it appeared to me that irregularities had been committed.

It would have been much more satisfactory to me if I could have reported that everything was in excellent order, but I had no other course to take, but to fully explain to you the facts as they actually existed, and point out to you where in my judgment errors have been committed, and where it was possible to apply a remedy.

I have the honor to be, Sir,

Your obedient servant,

C. J. BRYDGES,

General Superintendent Government Railways.

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